APPRAISAL PROPERTY MANAGEMENT SDN BHD & ORS v. SINGHAM SULAIMAN SDN BHD

COURT OF APPEAL, PUTRAJAYA
NOR BEE ARIFFIN JCA
AZIZAH NAWAWI JCA
MOHD SOFIAN ABD RAZAK JCA
[APPEAL NO: W-02(IPCv)(W)-2580-12-2017]
10 JANUARY 2023

Abstract – *The use of a mark by a licensee is recognised as use by the licensor/proprietor. A licensee, as opposed to an assignee, acquires no proprietary rights or goodwill over the trade marks he is licensed to use. It is essentially a question of contract between the proprietor of the trade mark as the licensor and the licensee whether the latter is entitled to any rights over the marks as a mere licensee. A licensor whose trade mark has been registered wrongfully by his sub-licensee in his own name is entitled to seek rectification.*

INTELLECTUAL PROPERTY: *Trade marks – Passing off – Services – Use of marks based on deed of sub-license – Whether company mere sub-licensee of marks – Whether acquired any interest or goodwill marks arising from use – Whether goodwill generated from business accrued to licensee – Whether licensor retained right as proprietor to protect trade mark – Whether company had locus to bring passing off action*

INTELLECTUAL PROPERTY: *Trade marks – Expungement – Use of marks based on deed of sub-license – Whether licensor 'person aggrieved' within s. 45(1)(a) of Trade Marks Act 1976 – Whether there was fraudulent registration of marks – Whether legal right and interest of licensor affected – Whether there was misrepresentation as to proprietor of trade mark – Whether registration of mark ought to be expunged*

This appeal was against the decision of the High Court in respect of the consolidated action consisting of two separate High Court suits, namely WA-22IP-5-02-2016 ('passing off suit') and WA-22IP-31-06-2016 ('expungement suit'). The respondent, Singham Sulaiman Sdn Bhd ('SSSB') was a real estate consultant in Malaysia, offering services such as real estate agency, property and asset management, valuation advisory and consultancy. The first appellant, Appraisal Property Management Sdn Bhd ('APM'), dealt with property or facilities management services while the second appellant, JLL Property Services (Malaysia) Sdn Bhd ('JLLP'), was a real estate agency. In 1999, JLL Group merged with Jones Lang Wootton companies as Jones Lang LaSalle. In 2014, the JLL Group rebranded Jones Lang LaSalle to 'JLL'. The 'Jones Lang Wootton' and JLW marks were conceived by and

belonged to the partners of the London partnership of Jones Lang Wootton in the United Kingdom. The JWL marks were used by the Jones Lang Wootton incorporating Wicks & Partners since 1974 as the first user in Malaysia. SSSB was incorporated in early 1982 and by entering into the sale and purchase agreements, it had acquired all the shares of the previous partnership known as Jones Lang Wootton incorporating Wicks & Partners in Malaysia. In 1982, the partners of the London partnership by way of a deed of licence, licensed John Andrew Robinson and 12 others ('Pacific proprietors') to licence and supervise the use of the JLW marks on behalf of the London partners in a number of territories, including Malaysia. SSSB entered into the deeds of sub-license and deed of covenant between SSSB and the Pacific proprietors and its successor in title, JLW Pacific Limited. The deed of sub-license was still valid and subsisting. SSSB commenced an action against APM and JLLP for, *inter alia*, passing off their services as and for SSSB services by their use of 'Jones Lang Lasalle' and 'JLL'. By way of a counterclaim, JLLP alleged that SSSB had passed off by wrongfully representing itself to the public as continuing to be associated with Jones Lang Lasalle when such association had ceased in January 2013. By a separate action, JLWL sought the expungement of the Jones Lang Wootton mark from the Register, under s. 45(1)(a) of the Trade Marks Act 1976 ('TMA') as JLWL claimed that it was wrongfully registered by SSSB contrary to the terms of the 1993 sub-license agreement and the 1982 deed of covenant signed by SSSB. The Judicial Commissioner ('JC') (i) allowed SSSB's claim for passing off under Jones Lang Wootton and JLW marks in the passing off suit; and (ii) dismissed JLWL's claim that SSSB had wrongfully registered the name and style 'Jones Lang Wootton' in the expungement suit. Hence, the present appeal.

Held (allowing appeal against decisions in passing off suit and expungement suit)

Per Azizah Nawawi JCA delivering the judgment of the court:

(1) SSSB's use of the 'Jones Lang Wootton' and JLW marks were based on the deed of sub-license which was still valid and subsisting. SSSB was merely a sub-licensee of the said marks. SSSB did not acquire any interest or goodwill in the 'Jones Lang Wootton' and the JLW marks arising from its use. As SSSB was merely using the 'Jones Lang Wootton' and JLW marks under the sub-licence, the goodwill generated from the business accrued to the licensor, not the licensee. In a licensee arrangement, the licensor as the proprietor of the trade mark retains the rights as proprietor to protect the trade mark. Therefore, the goodwill to the Jones Lang Wootton and JLW marks arising from their use in Malaysia belonged to JLWL as the proprietor. As such, SSSB had no *locus* to bring the passing off action. (paras 48, 52 & 53)

(2) The JC concluded that SSSB was the owner of goodwill in its real estate business regarding the use of JLW marks as the London proprietors, Pacific proprietors, JLWP and JLWL were prohibited by s. 23 of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 ('VAEA') from providing real estate services based on JLW marks in Malaysia and cannot therefore claim any goodwill in any real estate business with respect to JLW marks. This issue was not an agreed issue for trial. It was raised and embellished when the appellants' last witness gave evidence under cross-examination. In fact, the above finding contradicted the JC's findings in his judgment where the JC ruled that at the outset, he would not determine certain allegations of misconduct *vis-ã-vis* the VAEA that were raised by the respondent. Added to that, s. 23 of the VAEA relied upon by the JC had no relevance to the issues of trade marks raised by the parties. Section 23 was to provide for registration and any breaches of the VAEA could be dealt with under the provisions of the VAEA by the Valuers' Board and it was for that body to regulate the conduct of its members. There was no nexus between s. 24 of the VAEA and the trade mark rights. (paras 63-66 & 78)

(3) The JC allowed SSSB's claim against APM because of APM's failure to adduce evidence in the passing off suit, despite the fact that all the witnesses called had testified for and on behalf of all the appellants. As such, the JC held that the court shall presume the evidence in support of SSSB's claim against APM to be true and an adverse inference under s. 114(g) of the Evidence Act 1950 was drawn against APM. Such findings clearly contradicted the JC's decision to lift the corporate veil of the appellants and held that '… all relevant JLL companies acted as one entity to oppose SSSB in the two cases'. (paras 79 & 80)

(4) In view of the finding that there was no nexus between the alleged non-compliance with the provisions of the VAEA and the trademark rights, the JC did not err in law and/or in fact in holding that both APM and JLLP were entitled to use the 'JLL' mark as the use of such marks were duly authorised by the registered owner, JLL IP Inc. (para 88)

(5) SSSB had wrongfully continued to exploit the Jones Lang LaSalle brand by perpetuating its alleged association with Jones Lang LaSalle, to the detriment of JLLP, the rightful party with the right to associate itself with Jones Lang LaSalle. (para 97)

(6) JLWL was a 'person aggrieved' within s. 45(1)(a) of the TMA because JLWL was the rightful proprietor of the JLW marks as the successor in title of the London proprietors. As the proprietor of the JLW marks in Malaysia, there was no doubt that the fraudulent registration of the Jones Lang Wootton by SSSB would substantially affect the legal right and interest of JLWL as the common law proprietor of the JLW marks.

The JC was wrong in his finding that JLWL did not use the JLW marks in Malaysia. The JC further failed to consider that the JLW marks had been in use in Malaysia under licence to the partnership of Jones Lang Wootton incorporating Wick & Partners and subsequently to SSSB. The use of the JLW marks through these licensees amounted to use by the London proprietors and JLWL as the successors in title. (paras 106-108)

(7) SSSB misrepresented itself as the *bona fide* proprietor of the trade mark in a statutory declaration, affirmed on its behalf for the purposes of obtaining registration of the said trade mark in its name. Such a declaration in the statutory declaration amounted to fraud committed on the Registrar of Trade Marks as SSSB was merely a sub-licensee and had used the marks under license. It was always within the knowledge of SSSB, from the numerous preceding agreements it had signed, and the several covenants undertaken therein, that it was merely a licensee and that the proprietary rights and ownership of the mark belonged to JLWL and its principals. In addition to that, SSSB had also misrepresented to the Registrar that the first use of the registered mark was in 1982 when SSSB was incorporated. This was a fraudulent representation as the first use was in 1974 by the partnership of Jones Lang Wootton incorporating Wicks & Partners under the license from the London proprietors. (paras 115, 116 & 120)

(8) The JC erred in not expunging the registration of the registered mark. The JC's finding that JLWL was not an aggrieved party and his conclusion that there was no fraud on the part of SSSB was wholly unsustainable. (paras 123)

Case(s) referred to:

AG Spalding & Bros v. AW Gamage Ltd (1915) 32 RPC 273 ***(refd)***

Amanah Butler (M) Sdn Bhd v. Yike Chee Wah [1997] 2 CLJ 79 CA ***(refd)***

Asia Television Ltd & Anor v. Viwa Video Sdn Bhd & Other Cases [1984] 2 CLJ 80; [1984] 1 CLJ (Rep) 72 FC ***(refd)***

Colliers International Property Consultants Inc v. Colliers International Property Consultants Sdn Bhd [2015] 1 LNS 252 HC ***(refd)***

Curragh Investments Ltd v. Cook [1974] 3 All ER 658 ***(refd)***

Dr Lourdes Dava Raj Curuz Durai Raj v. Dr Milton Lum Siew Wah & Anor [2020] 9 CLJ 192 FC ***(refd)***

Fine & Country v. Okotoks (2014) FSR 11 ***(refd)***

GS Yuasa Corp v. GBI Marketing Malaysia Sdn Bhd [2016] 1 LNS 978 HC ***(refd)***

HE Randall Ltd v. The British & American Shoe Company (1902) 19 RPC 393 ***(refd)***

Ho Tack Sien & Ors v. Rotta Research Laboratorium S.p.A & Anor [2012] 8 CLJ 645 CA ***(refd)***

Ho Tack Sien & Ors v. Rotta Research Laboratorium SpA & Anor; Registrar Of Trade Marks (Intervener) & Another Appeal [2015] 4 CLJ 20 FC ***(refd)***

Imperial Chemical Industries v. Berk Pharmaceuticals (1981) FSR 1 ***(refd)***

Janagi v. Ong Boon Kiat [1971] 1 LNS 42 HC ***(refd)***

Lam Soon (M) Bhd v. Forward Supreme Sdn Bhd & Ors [2001] 4 CLJ 673 HC ***(refd)***

Liwayway Marketing Corp v. Oishi Group Public Co Ltd [2017] 5 CLJ 133 FC ***(refd)***
Lucy Wong Nyuk King & Anor v. Hwang Mee Hiong [2016] 4 CLJ 813 FC ***(refd)***
Luk Lamellen Und Kupplungsbau GmbH v. South East Asia Clutch Industries Sdn Bhd [1996] 3 CLJ 904 HC ***(refd)***
McLaren International Ltd v. Lim Yat Meen [2009] 4 CLJ 749 FC ***(refd)***
Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap Dagangan Malaysia (Interested Party) [2015] 9 CLJ 125 FC ***(refd)***
Pearks, Gunton & Tee Ltd v. Thompson, Talmey & Co (1901) 18 RPC 185 ***(refd)***
Public Finance Bhd v. Scotch Leasing Sdn Bhd; Perwira Habib Bank Malaysia (Intervener) [1996] 3 CLJ 635 FC ***(refd)***
Reckitt & Colman Products v. Borden Inc [1990] 1 All ER 873 ***(refd)***
Regent Pumps Pty Ltd & Anor v. Keylargo Industrial Sdn Bhd [2009] 2 CLJ 303 HC ***(refd)***
RHB Bank Bhd v. Kwan Chew Holdings Sdn Bhd [2010] 1 CLJ 665 FC ***(refd)***
Seet Chuan Seng & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 3 CLJ 7 SC ***(refd)***
Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors [2004] 3 CLJ 815 CA ***(refd)***
State Government Of Perak v. Muniandy [1985] 1 LNS 117 SC ***(refd)***
The Commissioner Of Inland Revenue v. Muller & Co's Margarine Ltd [1901] AC 217 ***(refd)***
Wieland Electric GmbH v. Industrial Automation (M) Sdn Bhd & Anor [2014] 7 CLJ 970 HC ***(refd)***

Legislation referred to:
Evidence Act 1950, ss. 17(1), 23, 114(g), 165
Rules of Court 2012, O. 59 r. 14(1)
Trade Marks Act 1976 (repealed), ss. 25, 36, 37(a), (b), (c), 45(1)(a)
Valuers, Appraisers, Estate Agents And Property Managers Act 1981, ss. 23, 24(1)(b), (2)

Other source(s) referred to:
Christopher Wadlow, *The Law of Passing-Off*, 5th edn, 2016, paras 9-54

For the appellants - Cyrus Das, Janini Rajeswaran, Lim Wei Jiet, Rachel Tey Mei Yee, Chong Tze Lin, Yeoh Yao Huang & Chew Kherk Ying; M/s Wong & Partners
For the respondent - Gopal Sri Ram, Austen Pereira, Chin Yan Leng, David Yii Hee Kiet, Lua Ai Siew & Sim Shyr Jinn; M/s Soo Thien Ming & Nashrah

[Editor's note: For the High Court judgment, please see Singham Sulaiman Sdn Bhd v. Appraisal Property Management Sdn Bhd & Anor And Another Case [2018] 1 LNS 277 (overruled).]

Reported by Lina E

JUDGMENT

Azizah Nawawi JCA:

Introduction

[1] This appeal is against the decision of the High Court dated 21 August 2017 in respect of the consolidated actions consisting of two separate High Court suits, namely WA-22IP-5-02-2016 ("passing off suit") and WA-22IP-31-06-2016 ("expungement suit").

[2] This appeal is brought by Appraisal Property Management Sdn Bhd ("APM"), JLL Property Services (Malaysia) Sdn Bhd ("JLLP") and Jones Lang Wootton Ltd ("JLWL"). They are the respective defendants in the passing off suit initiated by the plaintiff, Singham Sulaiman Sdn Bhd (SSSB).

[3] In the passing off suit, APM and JLLP's appeal is against the learned Judicial Commissioner's ("JC") decision to allow SSSB's claim for passing off under Jones Lang Wootton and JLW marks. SSSB have been using the following trade marks ("JLW Marks") in its real estate business:

(i) "Jones Lang Wootton" name;

(ii) Jones Lang Wootton composite mark has been registered by SSSB in the Register of Trade Marks (Register) for services in Class 36 (Jones Lang Wootton Registered Trade Mark);

(iii) "Jones Lang" name; and

(iv) "JLW" mark.

[4] JLLP's appeal is also against the dismissal of its counterclaim against SSSB for passing off, on the basis that SSSB had continued to associate itself with "Jones Lang LaSalle" after January 2013 when such association had ceased to exist.

[5] In the expungement suit, JLWL is appealing against the High Court decision to dismiss its claim that SSSB had wrongfully registered the name and style "Jones Lang Wootton". In the High Court, cost of RM315,789.23 was ordered against the appellants.

[6] There is a cross-appeal by SSSB against the High Court's refusal to grant an injunction restraining APM and JLLP from passing off their services under the name of "JLL" and to award fees for two counsels.

[7] The appeal (No. W-02(IPCv)(W)-2580-12-2017), was first heard by this court on 23 August 2018, which had allowed the appellants' appeal with costs of RM50,000, set aside the decision of the learned JC and ordered a re-trial of the consolidated suits before another judge.

[8] After obtaining leave to appeal, SSSB appealed to the Federal Court against the decision of this court. On 1 September 2020 the Federal Court allowed SSSB's appeal with cost of RM75,000 (for both the Federal Court and Court of Appeal costs) and remitted the appeal back to this court to be heard afresh before a new panel based on the grounds set out in the amended memorandum of appeal dated 28 March 2019.

[9] Having considered the appeal records and the submissions of the parties, we have made the following orders in our broad grounds of decision:

(i) in the passing off suit, the appellants' appeal is allowed and decision of the learned JC that APM and JLLP have committed the tort of passing off with regards to Jones Lang Wootton and JLW Marks is set aside;

(ii) SSSB's cross-appeal is dismissed;

(iii) the decision of the learned judge in dismissing JLLP's counterclaim is set aside and JLLP's counterclaim against SSSB for passing off, on the basis that SSSB had continued to associate itself with "Jones Lang LaSalle" is allowed; and

(iv) on the expungement suit, we allow JLWL's appeal and we set aside the decision of the learned JC and ordered that SSSB's registration of the name and style "Jones Lang Wootton" be expunged from the Trademarks Registry.

The Salient Facts

[10] SSSB is a company incorporated in Malaysia and is a real estate consultant in Malaysia, offering services such as real estate agency, property and asset management, valuation advisory and consultancy, *etc.*

[11] APM deals with property or facilities management services, whilst JLLP is a real estate agency. Both APM and JLLP are part of the JLL group of companies, with more than 230 corporate offices around the world. In 1999, JLL Group merged with Jones Lang Wootton companies as Jones Lang LaSalle. In 2014, the JLL Group rebranded Jones Lang LaSalle to its shorter acronym "JLL".

[12] Jones Lang Wootton started its real estate business as a partnership in London in 1783 ("London firm"). The London Firm expanded its real estate business worldwide, including Malaysia, by operating as partnerships within the countries in question.

[13] "LaSalle Partners" originated in the United States of America (USA) in 1968.

[14] Mr William George Wicks (Mr Wicks) carried on business as Chartered Surveyors, Valuers and Property Manager in Kuala Lumpur under the name and style "Wicks & Partners". By way of a sale and purchase agreement dated 8 October 1974 ("1974 SPA"), Mr Wicks sold his business, name and goodwill in Wicks & Partners to the then partners of:

(i) 'Jones, Lang, Wootton, St. Helier, Jersey, Channel Islands' ("Jersey Partners"); and

(ii) 'Jones, Lang, Wootton, Sydney, Australia' ("Australian Partners").

[15] Clause 5 of the 1974 SPA provided that the Jersey and Australian Partners would carry on real estate business under the name and style "Jones, Lang, Wootton incorporating Wicks & Partners" (the "Malaysian firm").

[16] A partnership agreement regarding the Malaysian firm was entered into on 1 March 1977 ("1977 Partnership Agreement"). According to the 1977 Partnership Agreement:

(i) Clause 25 provided that the "name and style of JONES, LANG, WOOTTON is the property of the (London firm) and that the carrying on of the (Malaysian firm) under such style is by license" of the London firm; and

(ii) Clause 26 stated that the Malaysian firm shall execute an irrevocable power of attorney ("PA") in favour of the Australian partners to execute "as and when necessary'" the relevant form for the change of the name of the Malaysian firm. Such a PA had been granted by SP1 on 1 March 1977 (the "1977 PA"). The second recital to the 1977 PA reiterated cl. 25 of the 1977 Partnership Agreement.

[17] On 8 June 1979, the partners of the Malaysian firm signed a partnership agreement with Sulaiman bin Mustafa ("Sulaiman") to admit Sulaiman as a new partner in the Malaysian firm (the "1979 Partnership Agreement"). Clauses 24 and 25 of the 1979 Partnership Agreement are similar to cls. 25 and 26 respectively of the 1977 Partnership Agreement.

[18] Pursuant to cl. 25 of the 1979 Partnership Agreement, Sulaiman granted an irrevocable PA on 15 August 1979 (the "1979 PA"). The second recital to the 1979 PA repeated cl. 24 of 1979 Partnership Agreement.

[19] On 19 June 1982, a deed of license (the "1982 license") was entered into by the then proprietary partners of the London firm ("London Proprietors") and Australian Partners whose names were listed in Part 2 of the First Schedule to the 1982 License ("Pacific Proprietors"). In cl. 1 of the 1982 license, the London Proprietors gave a licence to the Pacific Proprietors to licence and supervise on behalf of the London Proprietors, the use of the Jones Lang Wootton name and JLW mark in six countries, including Malaysia.

[20] The following agreements, among others, were executed on 1 September 1982:

(i) a Sale and Purchase Agreement wherein SSSB purchased the interest of the Australian Partners in the Malaysian Firm (the "First 1982 SPA"). In cl. 9 of the First 1982 SPA, the Australian Partners and SSSB agreed that the First 1982 SPA did not confer on SSSB any title, right or interest in Jones Lang Wootton name or JLW mark which shall remain the property of the London Proprietors;

(ii) a Sale and Purchase Agreement wherein SSSB purchased the interest of the Malaysian partners in the Malaysian Firm (the "Second 1982 SPA"). Clause 9 of the Second 1982 SPA is similar to cl. 9 of the First 1982 SPA;

(iii) by a Deed of Sub-Licence of Name (the "1982 Sub-Licence"), the Pacific Proprietors granted an exclusive sublicense to SSSB to use Jones Lang Wootton name and JLW mark for a term expiring on 1 December 1990 or "such later date as may be mutually agreed". According to cl. 3(a) of the 1982 Sub-License, SSSB expressly acknowledged that Jones Lang Wootton name and JLW mark were the property of the London Proprietors; and

(iv) a deed of covenant (the "1982 Covenant") was entered into by:

(a) SSSB;

(b) the "Covenanters", certain individuals, including SP1, whose names were stated in Part 1 of the Schedule to the 1982 Covenant;

(c) the "London Partners" whose names were stated in Part 2 of the Schedule to the 1982 Covenant; and

(d) the "Pacific Proprietors" whose names were stated in Part 3 of the Schedule to the 1982 Covenant.

[21] Clause 1(a) of the 1982 Covenant stated that the Covenanters covenanted that the Covenanters shall not at any time during the term of the 1982 Sub-Licence for any reason, register or attempt to register in Malaysia, Jones Lang Wootton name, JLW mark or any name or style materially or substantially the same, literally or phonetically, in English, Chinese or Malay languages, or any name incorporating any one or more of the words "Jones", "Lang" or "Wootton".

[22] In cl. 1(b)(i) of the 1982 Covenant, the Covenanters agreed, among others, not to accept appointment as directors in any company which uses the Jones Lang Wootton name.

[23] On 6 July 1993, a deed of Sub-Licence of Name (the "1993 Sub-Licence") has been agreed between JLW Pacific Ltd ("JLWP") and SSSB. Clause 6 of the 1993 Sub-Licence has provided, *inter alia*, if the license between the London Proprietors and the Pacific Proprietors is terminated or is not renewed for any reason, JLWP and its "assigns or successors shall endeavour" to ensure that a new sub-licence is granted to enable SSSB to continue using Jones Lang Wootton name and JLW mark "on terms no less favourable" to SSSB.

[24] In 1999, LaSalle Partners acquired Jones Lang Wootton partnerships (except in Malaysia). Thereafter the merged entity is known as "Jones Lang LaSalle".

[25] By a series of assignments dated 8 March 1999, the London Proprietors have assigned all Intellectual Property rights (including trade marks and goodwill) in, among others, Jones Lang Wootton name and JLW mark, to JLWL.

[26] On 26 February 2002, SSSB entered into a "Global Operating Framework" with JLLPC (the "GOF").

[27] On 24 August 2006, SSSB applied to register Jones Lang Wootton Registered Trade Mark ("SSSB's Trade Mark Application"), which was allowed by the Registrar.

[28] The GOF was terminated by JLLPC by way of JLLPC's letter dated 17 January 2012 to SSSB ("JLLPC's termination notice"). JLLPC's termination notice gave 12 months' notice of the termination of GOF. GOF was therefore terminated with effect from 18 January 2014.

[29] In 2014, JLL Group undertook a rebranding exercise and is now known only as JLL. JLL Group now uses a JLL composite mark.

[30] *Vide* a letter dated 23 October 2015 to APM and JLLP respectively, SSSB requested APM and JLLP to cease and desist from the alleged unlawful act of passing off by the use of "Jones Lang LaSalle" and "JLL".

[31] By letters dated 6 November 2015, APM and JLLP, through their solicitors, Messrs Wong & Partners, asserted that they have full rights and authority to use the JLL Registered Trade Marks and that they are lawfully associated with the JLL Group.

[32] SSSB then commenced this action in February 2016 against APM and JLLP for, *inter alia*, passing off their services as and for SSSB services by their use of "Jones Lang LaSalle" and "JLL".

[33] By way of counterclaim, JLLP alleged that SSSB has passed off by wrongfully representing itself to the public as continuing to be associated with Jones Lang LaSalle, when such association had ceased in January 2013.

[34] By a separate action, JLWL sought the expungement of the Jones Lang Wootton mark from the Register (which is used and registered by SSSB for service in Class 36) under s. 45(1)(a) of the Trade Marks Act 1976 ("TMA 1976"), as JLWL claimed that it was wrongfully registered by SSSB contrary to the terms of the 1993 Sub-Licence Agreement and the 1982 Deed of Covenant signed by SSSB.

Decision Of The High Court

[35] In the earlier appeal, Civil Appeal No. W-02(IPCv)(W)-2580-12-2017, this court had summarised the decision of the High Court, which is as follows:

(i) SSSB's claim should be allowed against APM due to APM's failure to adduce evidence in the first suit:

(a) the court shall presume the evidence in support of SSSB's claim against APM to be true; and/or

(b) an adverse inference under s. 114(g) of the Evidence Act 1950 ("EA") is drawn against APM;

(ii) the court exercises its discretion under the second limb of s. 165 of the EA to order JLLP to produce AHCM Documents which are relevant to the two cases;

(iii) the email dated 14 October 2015 does not constitute an "admission" under s. 17(1) of the EA and its admissibility as evidence is therefore not barred by s. 23 of the EA;

(iv) the two conditions have been fulfilled for the court to lift the corporate veil to reveal that:

(a) JLLPC is the alter ego of the defendants (two cases); and

(b) all the Relevant JLL Companies have acted as one entity (JLL Group) in the two cases;

(v) the defendants (first suit) have breached or have unlawfully circumvented s. 23 of the Valuers, Appraisers, Estate Agents and Property Managers Act 1981 ("VAEA") as follows:

(a) the defendants (first suit) are subsidiaries of JLL Inc.; and/or

(b) the management and operation of AHCM, JLLP's holding company, is controlled by SAP (non-registered person);

(vi) SSSB's goodwill has been acquired which entitles SSSB to sue the defendants (first suit) for the tort of passing off;

(vii) a breach of s. 23 of the VAEA by the defendants (first suit) would not deprive them of their right to defend themselves against SSSB's claim;

(viii) the defendants (first suit) have passed off their real estate services as SSSB's business by the use of Jones Lang LaSalle name. The defendants (first suit) however have not committed the tort of passing off regarding the use of JLL mark;

(ix) SSSB's Proprietary Interest in Jones Lang Wootton name and JLW mark:

(a) has been conferred by cl. 6 sub-licence (1993); and

(b) binds JLL Group, including the defendants (two cases);

(x) the defendants (two cases) are estopped from denying SSSB's goodwill and SSSB's proprietary interest;

(xi) SSSB's claim does not constitute an abuse of the court process;

(xii) JLLP's counterclaim is dismissed because:

(a) SSSB has not misrepresented its real estate business as being associated with the services offered by JLL Group;

(b) JLLP's counterclaim is an afterthought which is filed to stifle SSSB's claim; and

(c) in view of the illegality, the court will not come to the aid of JLLP;

(xiii) the second suit is dismissed because:

(a) JLWL is not aggrieved by Jones Lang Wootton Registered Trade Mark within the meaning of s. 45(1)(a) of the TMA; and/or

(b) in view of, among others, SSSB's Proprietary Interest, Jones Lang Wootton Registered Trade Mark has not been registered by way of fraud on the Registrar; and

(xiv) the court declines to exercise its discretion under O. 59 r. 14(1) of the Rules of Court 2012 (RC) to certify fees for two counsels because the nature of the two cases are such that the services of the two counsels are not required for the two cases to be presented to the court in a manner which can achieve justice between the parties.

Our Decision

[36] Before the High Court, the agreed issues for determination are as follows:

(i) whether APM and JLLP have committed the tort of passing off if they offered and provided real estate services in Malaysia under the name of "Jones Lang LaSalle" and/or "JLL" (SSSB claim for passing off);

(ii) whether SSSB committed the tort of passing off by associating itself with Jones Lang LaSalle after the termination of the Global Operating Frameworks (JLLP counterclaim for passing off);

(iii) whether the SSSB's registered trade mark (Registration No. 06015146) ought to be expunged pursuant to s. 45 and s. 37 of the TMA 1976 (JLWL expungement suit); and

(iv) all matters collateral to the above issues.

Issue (i) SSSB Claim For Passing Off

[37] In respect of the tort of passing off, Gunn Chit Tuan CJ (Malaya) held as follows in the Supreme Court case of *Seet Chuan Seng & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 3 CLJ 7; [1994] 2 MLJ 770:

The principle of law regarding passing off has been plainly stated by Lord Parker in *Spalding v. Gamage* 'and that is, that nobody has any right to represent his goods as the goods of somebody else'. It is therefore wrong for a trader to conduct his business as to lead to the belief that his goods or business are the business of another. For an authority on passing off, we could do no better than to quote the words of Lord Diplock in the leading speech in *Erven Warnink v. Townend & Sons (Hull) Ltd 2* [at p 742]:

> My Lords, *AG Spalding & Bros v. AW Gamage Ltd* 84 LJ Ch 449 and the later cases make it possible *to identify five characteristics which must be present in order to create a valid cause of action for passing off: (1) a misrepresentation; (2) made by a trader in the course of trade; (3) to prospective customers of his or ultimate consumers of goods or services supplied by him; (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence); and (5) which causes actual damage to a business or goodwill of the trader* by whom the action is brought or (in a *quia timet* action) will probably do so. (emphasis added)

[38] In both the cases of *Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors* [2004] 3 CLJ 815 and *Ho Tack Sien & Ors v. Rotta Research Laboratorium S.p.A & Anor* [2012] 8 CLJ 645, this court had applied the House of Lord's decision in *Reckitt & Colman Products v. Borden Inc* [1990] 1 All ER 873, where it was held that in order to establish an action for passing-off, the defendant must prove the following:

(i) that he has sufficient reputation or goodwill in the mark, trade mark, get-up or other indicia in question under which his particular goods or services or offered to the public;

(ii) he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to belief that goods or services offered by him are the goods or services of the plaintiff; and

(iii) he must demonstrate that he suffers or had suffered or is likely to suffer damage or injury to his business or goodwill by reason of the erroneous belief and engendered by the defendant's misrepresentation that the source of the defendant's good or services is the same of the source offered by the plaintiff.

[39] It is therefore firstly necessary to determine whether SSSB has established sufficient reputation or goodwill in the "Jones Lang Wootton" and the JLW Marks that is known to the public. Goodwill is the property in the business and is likely to be injured by the misrepresentation. (*AG Spalding & Bros v. AW Gamage Ltd* (1915) 32 RPC 273).

[40] In *The Commissioner Of Inland Revenue v. Muller & Co's Margarine Ltd* [1901] AC 217, it was held by Lord Macnaghten at p. 223 that 'Goodwill' may be defined as the "benefit and advantage of the good name, reputation

A and connection with a business, whether it is a business that provides services or manufactures and/or distributes certain products. In other words, goodwill is the attractive force that brings in custom."

[41] In order to generate goodwill and reputation, the onus is on the SSSB to establish that they are the first user of the trade mark "Jones Lang B Wootton" and the JLW Marks.

Ownership Of Goodwill

[42] From the statement of agreed facts dated 25 November 2016, the followings facts have been agreed by both parties:

C

(i) "The "Jones Lang Wootton" and "JLW" marks ("JLW Marks") were conceived by and belong to the partners of the London Partnership of Jones Lang Wootton ("London Partnership") in the UK. The JWL Marks were used by the Jones Lang Wootton incorporating Wicks & Partners since 1974 as first user in Malaysia." (see para. 6).

D

(ii) "SSSB was incorporated in early 1982 and by entering into Sales and Purchase Agreements dated 1 September 1982, it had acquired all the shares of the previous partnership known as Jones Lang Wootton incorporating Wicks & Partners in Malaysia" (para. 7).

E

(iii) "On or around 19 May 1982, the partners of the London Partnership by way of a Deed of Licence dated 19 May 1982, licensed John Andrew Robinson and 12 others ("Pacific Proprietors") to licence and supervise the use of the JLW Marks on behalf of the London Partners in a number of territories, including Malaysia" (para. 8).

F

(iv) "SSSB entered into the Deeds of Sub-License dated 1 September 1982 and 6 July 1993 and Deed of Covenant dated 1 September 1982 between SSSB and the Pacific Proprietors and its successor in title, JLW Pacific Limited" (para. 9).

G

(v) "The Deed of Sub-Licence dated 6 July 1993 is still valid and subsisting" (para. 10).

[43] Therefore from the agreed facts, the first user in Malaysia of the JWL Marks was Jones Lang Wootton incorporating Wicks & Partners since 1974. Mr Wicks then sold his business to the Malaysian Firm, under the name and style "Jones, Lang, Wootton incorporating Wicks & Partners". Clause 25 of H the 1977 Partnership Agreement provided that the "name and style of JONES, LANG, WOOTTON is the property of the (London firm) and that the carrying on of the (Malaysian firm) under such style is by license" of the London firm.

I

[44] When Sulaiman became a partner of the Malaysian Firm on 8 June 1979, the 1979 Partnership Agreement contained a similar clause, that "name and style of JONES, LANG, WOOTTON is the property of the (London firm) and that the carrying on of the (Malaysian firm) under such style is by license" of the London firm. A

[45] When SSSB purchased the interest of the Australian partners in the Malaysian firm *via* the first 1982 SPA and the interest of the Malaysian partners in the Malaysian firm *via* the second 1982 SPA, cl. 9 in both agreements provided that both SPA did not confer on SSSB any title, right or interest in Jones Lang Wootton name or JLW mark which shall remain the property of the London Proprietors. Therefore, the ownership of the Jones Lang Wootton name or JLW mark remained with the London Proprietors. SSSB did not acquire the same *via* the first and second 1982 SPA. B C

[46] Subsequently, since May 1982, the London Proprietors, being the owner of the JWL Marks, have licensed the Pacific Proprietors to licence and supervise the use of the JLW Marks on behalf of the London Partners in a number of territories, including Malaysia. D

[47] SSSB then entered into the deeds of sub-license dated 1 September 1982 and 6 July 1993, and the deed of covenant dated 1 September 1982 with the Pacific Proprietors and its successor in title, JLW Pacific Limited, to use the JLW Marks. Therefore, SSSB's use of the "Jones Lang Wootton" and JLW Marks are based on the deed of sub-licence dated 6 July 1993, which is still valid and subsisting. SSSB is merely a sub-licensee of the said marks. E F

[48] Therefore, since SSSB is merely a sub-licensee, SSSB does not acquire any interest or goodwill in the "Jones Lang Wootton" and the JLW Marks arising from its use. As SSSB was merely using the "Jones Lang Wootton" and JLW marks under the sub-licence, the goodwill generated from the business accrues to the licensor, not the licensee (see *Colliers International Property Consultants Inc v. Colliers International Property Consultants Sdn Bhd* [2015] 1 LNS 252). G

[49] We are therefore of the considered opinion and we agree with the appellants that the learned JC has erred in law when he failed to appreciate that a licensee, as opposed to an assignee, acquires no proprietary rights or goodwill over the trademarks he is licensed to use. It is essentially a question of contract between the proprietor of the trade mark, as the licensor, and the licensee whether the latter is entitled to any rights over the marks as a mere licensee. H

[50] The point is made clear in Wadlow on *The Law of Passing-Off* (*supra*) where the learned author observes as follows in paras. 3 to 150: I

A If the commercial purpose of an agreement is to license the use of a distinctive name or mark in respect of which the licensor has (or is agreed to have) goodwill, so a licensee who has (or is agreed to have) no such goodwill, and in circumstances where the licensee's use would otherwise be actionable as passing-off, then in the absence of agreement to the contrary or other supervening factors, the goodwill in the business so B carried on by the licensee under the licensed name or mark will accrue to the licensor rather than the licensee. ... It is the parties' contractual agreement, and not some extrinsic legal fiction or equitable doctrine, which operates to vest the goodwill in the licensor, unless otherwise agreed because no other outcome is consistent with the ordinary licensor-licensee relationship.

C

[51] In *Lam Soon (M) Bhd v. Forward Supreme Sdn Bhd & Ors* [2001] 4 CLJ 673; [2001] 6 MLJ 651, Justice Low Hop Bing had also referred to Wadlow on *The Law of Passing-Off*, that a licensor as the proprietor of the trade mark retains the right as proprietor to protect the trade mark. His Lordship held D as follows:

Since the Plaintiff was merely using the "Lam Soon Knife Label" under license or with the permission of Whang Tar Choung, I am of the view that the goodwill generated by the Plaintiff in relation to its use accrued for the benefit of Whang Tar Choung. My view is supported by Christopher Wadlow in *The Law of Passing-Off* 2nd edn at pp. 115 and 116 where the learned author clearly E states the legal position on ownership of goodwill as follows:

> *If a valid licence of a name or mark is in operation in respect of the business so carried on accrues to the licensor rather than the licensee.* The licence may be expressed or implied. The licence acquires no interest in the name or mark, and must cease using it on termination of the F licence ... Provided the licence is a valid one, it does not matter that the licensee may be held out as the provider of the goods in question, and may in fact be primarily responsible for their character or quality. (emphasis added)

[52] In a licensing arrangement, the licensor as the proprietor of the trade G mark retains the right as proprietor to protect the trade mark. In *Fine & Country v. Okotoks* (2014) FSR 11, also a case involving the providing of estate agency services, it was held that the plaintiffs as the registered proprietors of the trademarks involved and who licensed local estate agencies to trade under the name, were entitled to maintain an action in passing off H for a breach by a rebranding of the name by the licensed agency with a third party. In short, the licensor always possesses the title to sue to enforce its proprietary and goodwill rights.

[53] Therefore, we agree with the appellants that the goodwill to the Jones Lang Wootton and JLW Marks arising from their use in Malaysia belonged I to JLWL as the proprietor. As such SSSB has no *locus* to bring the passing off action.

Clause 6 Of 1993 Sub-License Agreement

[54] However, the learned JC then held that SSSB had acquired a proprietary interest in the Jones Lang Wootton and JLW Marks. This finding was premised entirely on an interpretation of cl. 6 of the 1993 Sub-Licence Agreement, where the learned JC held in para. 95(1) of his judgment:

> An objective interpretation of Clause 6 Sub Licence (1993) in a commercially sensible manner, clearly shows the manifest intention of JLWP to confer a proprietary interest shows the manifest intention of JLWP to confer a proprietary interest on SSSB in Jones Lang Wootton name and JLW mark (SSSB 'Proprietary Interest').

[55] The issue of proprietary rights under cl. 6 was not pleaded. As such, we find that the learned JC has erred in law in deciding on a non-pleaded issue. In *Janagi v. Ong Boon Kiat* [1971] 1 LNS 42; [1971] 2 MLJ 196, Sharma J held that a judgment should be based upon the issues which arise in the suit and if such a judgment does not dispose of the questions as presented by the parties it renders itself liable not only to grave criticism but also to a miscarriage of justice. It becomes worse and is unsustainable if it goes outside the issues (see *State Government Of Perak v. Muniandy* [1985] 1 LNS 117; [1986] 1 MLJ 490; *RHB Bank Bhd v. Kwan Chew Holdings Sdn Bhd* [2010] 1 CLJ 665; [2010] 2 MLJ 188; and *Amanah Butler (M) Sdn Bhd v. Yike Chee Wah* [1997] 2 CLJ 79; [1997] 1 MLJ 750).

[56] In fact, SSSB had pleaded in para. 13 of the defence in the expungement suit that cl. 6 is a right to use clause. SSSB did not plead cl. 6 as conferring any proprietary interest as held by the learned JC. Paragraph 13 of the defence reads as follows:

> 13.(3) By clause 6 of the said Deed Sub-License of Name dated 6.7.1993, it was agreed that in the event the Deed of License dated 19.5.1982 is terminated or not renewed for any reason whatsoever, JLW Pacific Limited *shall endeavour to ensure that a new Deed of Sub-License of Name for the defendant is granted or a Deed of License direct from the London Proprietors to enable the defendant to continue using the name "Jones Lang Wootton" and the style "JLW" in Malaysia* on terms no less favourable to the defendant under the said Deed. (emphasis added)

[57] In any event, having read cl. 6 with the other clauses in 1993 Sub-Licence Agreement, we are of the considered opinion that there is nothing in cl. 6 on the conferment of a proprietary interest in the JLW marks. The clause makes no mention at all of any proprietary interest in the marks given to the licensee. Clause 6 merely requires JLW Pacific to 'endeavour to ensure' that a new deed is put in place to enable SSSB to continue to use the JLW marks in the event of the licensing rights of the principals ceasing.

[58] Further, the learned JC had failed to consider cl. 8 of the same 1993 Deed of Sub-License, which is an express acknowledgment by SSSB that:

> … the name "Jones Lang Wootton" and the style "JLW" whether used alone or in conjunction with any other name(s) or word(s) are the property of the London Proprietors and that JLW Pacific Limited is empowered to license and supervise the use thereof.

[59] In case *Lucy Wong Nyuk King & Anor v. Hwang Mee Hiong* [2016] 4 CLJ 813; [2016] 3 MLJ 689, Azahar Mohammad FCJ held that one cannot construe a contractual term in isolation and that the words of every clause must, if possible, be construed so as to render them all harmonious one with another:

> … it is an established principle of construing a contract that, among others, a contract must be construed as a whole, in order to ascertain the true meaning of its several clauses, and also, so far as practicable, to give effect to every part of it. Each clause in an ordinary commercial contract should be so interpreted as to bring them into harmony with the other clauses of the contract …

[60] Added to that, the counterparty to the 1993 Sub-Licence Agreement, JLW Pacific, was itself only a licensee of the London Proprietors at all material times. As such we agree with the appellants that the learned JC's interpretation that cl. 6 of the 1993 Sub-Licence Agreement confers proprietary interest on SSSB is unsustainable as it is contrary to the maxim "*Nemo Dat Quad Non Habet*", which expresses the point that a person cannot give what it does not have (see *Public Finance Bhd v. Scotch Leasing Sdn Bhd; Perwira Habib Bank Malaysia (Intervener)* [1996] 3 CLJ 635; [1996] 2 MLJ 369).

[61] Therefore, we find that the learned JC has erred in his interpretation of cl. 6 as conferring proprietary rights in the Jones Lang Wootton and JLW Marks on SSSB.

Breach Of VAEA

[62] The learned JC has made a finding that APM was *de facto* controlled by foreign bodies. With regards to JLLP, it had taken a loan from a foreign body, and was thus required to pledge its shares. On the occurrence of a default, the lender could exercise its security on the shares. Thus, it was contended that effective ownership of JLLP was with the lender. Based on such findings, the learned JC then held that both APM and JLLP are not majority-owned by Malaysians and therefore their very establishment is a contravention of s. 23 of the VAEA, which provided that the majority shareholding and operation of a company which offers services of a valuers, appraiser and estate agent, to be owned and controlled by valuers, estate agents and property managers who have registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers.

[63] Based on the above, the learned JC then concluded that SSSB is the owner of goodwill in its real estate business regarding the use of JLW Marks, as the London Proprietors, Pacific Proprietors, JLWP and JLWL are prohibited by s. 23 of the VAEA from providing real estate services based on JLW Marks in Malaysia and cannot therefore claim any goodwill in any real estate business with respect to JLW Marks. In para. 79, the learned JC held as follows:

> [79] *Based on the reasons explained in the above paragraphs 77 and 78, SSSB is the owner of goodwill in its real estate business regarding the use of JLW Marks (SSSB's Goodwill). The London Proprietors, Pacific Proprietors, JLWP and JLWL are prohibited by s. 23 of the then VAEA from providing real estate services based on JLW Marks in Malaysia and cannot therefore claim any goodwill in any real estate business with respect to JLW Marks.* SSSB's ownership of goodwill in its real estate business based on JLW Marks is proven by the following evidence: ... (emphasis added)

[64] We are of the considered opinion and we agree with the appellants that this issue was not an agreed issue for trial. It was raised and embellished when the appellants' last witness, SD4 gave evidence under cross-examination.

[65] In fact, the above finding contradicts the learned JC's findings in para. [31] of his judgment where the learned JC ruled at the outset that he will not determine certain allegations of misconduct *vis-à-vis* the VAEA that were raised by the respondent on the following grounds:

> [31] At the outset, I must make clear that I will not decide on SSSB's Allegations of Misconduct. This is due to the following reasons:
>
> (1) pursuant to O. 34 r. 2(2)(k) RC, in Bundle R, all the parties have agreed to the issues to be tried in the 2 Cases (Agreed Issues). The Agreed Issues did not concern SSSB's Allegations of Misconduct. Hence, this court shall only decide on the Agreed Issues; and
>
> (2) any allegation of misconduct against, among others, a "registered valuer", "registered appraiser" and "registered estate agent" (as defined in s. 2 of the then VAEA) should only be investigated into and determined by the Board in accordance with the disciplinary procedure provided by rr. 131 to 138 of the Valuers, Appraisers and Estate Agents Rules 1986(VAEAR) read with s. 24 of the present VAEAPM. There is also a right to appeal against any decision of the Board regarding a disciplinary matter to the Appeal Board as provided in ss. 27(1)(c) and 29 VAEAPM. The statutory duties and functions of the Board and Appeal Board under VAEAPM and VAEAR regarding disciplinary matters, should not be arrogated.
>
> Due to the above reasons, nothing in this judgment should be construed to support or rebut SSSB's Allegations of Misconduct.

[66] Added to that, we find that s. 23 of the VAEA relied upon by the learned JC has no relevance to the issues of trademarks raised by the parties. Section 23 is to provide for registration and any breaches of the VAEA can be dealt with under the provisions of the VAEA by the Valuers' Board and it is for that body to regulate the conduct of its members. Under the VAEA regime, there is a Board established by statute. Under the Valuers' Board, there is a disciplinary committee. That committee oversees registration of persons rendering these regulated services. Any complaint on a breach of the VAEA is covered by s. 24(1)(b) of the VAEA, on obtaining registration or authority to practise under the Act, by fraud or misrepresentation. Section 24(2) VAEA also provides that the Valuers' Board shall not make any order under s. 24(1) unless there has been a hearing and an opportunity of being heard has been given to the person facing disciplinary action, by the Valuers' Board.

[67] As such, the VAEA provides a forum for complaints relating to the so-called illegality to be made. SSSB's complaints on breaches of the VAEA is therefore before the wrong forum. In this regard, the learned JC had arrogated himself over the statutory duties and functions of the Board and Appeal Board under the VAEA regime.

[68] The courts have repeatedly taken the position that self-regulating professions should be adjudged by members of their own profession, not the courts. In *Dr Lourdes Dava Raj Curuz Durai Raj v. Dr Milton Lum Siew Wah & Anor* [2020] 9 CLJ 192; [2020] 5 MLJ 185, the Federal Court held:

> [35] […] The order sought by Dr Milton effectively usurps the power of the MMC to regulate the conduct of its own members as the court order in his favour removes from the MMC its power to decide on whether the charge against Dr Lourdes has been made out. […]
>
> [36] […] it is better for a professional body such as the MMC to manage its own members in relation to their conduct, so the court should not readily interfere with findings by the MMC, unless the decision is perverse or takes into account irrelevant matters or fails to take into account relevant matters, or contravenes the doctrine of proportionality. […]

No Nexus Between Breach Of VAEA And Trade Marks Claims

[69] Added to that, we find that the learned JC has erred in law when he failed to ascertain the nexus between the alleged illegality under s. 23 of the VAEA and the trade marks claim. Under trade mark law, nexus is a necessary ingredient for any plea of illegality to succeed. In the leading textbook of *The Law of Passing-Off* by Christopher Wadlow (5th edn, 2016) the following observation is made at paras. 9 to 54):

> There must be a connection between the misconduct or illegality and the claim for passing-off (or injurious falsehood) itself'.

[70] In *Imperial Chemical Industries v. Berk Pharmaceuticals* (1981) FSR 1, the plaintiff had sued for passing-off that the defendant had imitated the get-up of one of its pharmaceutical tablets. Megarry VC ordered the striking out of the paragraph in the defendant's affidavit that asserted the plaintiff (ICI) was selling their products at excessive prices contrary to EU law. There was no nexus between the alleged contravention of EU law and the passing-off of the plaintiff's trade mark. The learned judge made the following observations in his judgment (at p. 6):

> The central core of Mr. Gratwick's argument, however, was the lack of any nexus between the alleged breach of Article 86 and the right claimed by the defendants to be free to imitate the plaintiffs' carmine get-up and so deceive doctors, pharmacists and the public without the plaintiffs being able to intervene. …
>
> The result is that the plaintiffs are doing something that Article 86 prohibits, … but it does not follow that this strikes from the plaintiffs' hands any power to prevent the defendants from passing off their tablets as being the plaintiffs'. … I do not think that it could be said that a person in breach of some statutory or other prohibition thereupon becomes an outlaw, unable to enforce any of his rights against anyone. *If the plaintiffs are imposing unfair selling prices in that they charge too much for their product, I cannot see why this breach of the prohibitions of Article 86 means that the defendants are thereby set free from any liability to the plaintiffs if they, the defendants, commit the tort of passing off (or, indeed, any other tort) against them.* (emphasis added)

[71] The case for a nexus is even stronger where the alleged contravention is of the statute under which a plaintiff is incorporated or established to carry on its trade. For example, the breach of the Companies Act under which the proprietor of a trade mark is incorporated for purposes of carrying on its business, would not disqualify it from enforcing its trade mark rights.

[72] The English cases have held that if the Companies Act has provided a penalty for its breach, the courts will not add an additional penalty by holding that the plaintiff cannot enforce a breach of its trade mark rights. In *Pearks, Gunton & Tee Ltd. v. Thompson, Talmey & Co.* (1901) 18 RPC 185, the trade mark proprietor was in breach of a provision of the Companies Act that the name of the company under which he was trading be displayed at its trading place. The defendant contended that the contravention of the Companies Act precluded the plaintiff from suing for an injunction on passing off. Farwell J. observed (at p. 189):

> The Act of Parliament has imposed a penalty, and I am asked to add an additional penalty which the statute does not impose, and say that it is competent to any dishonest person who chooses to steal the goodwill; and that the Company cannot come into this Court and get an injunction to restrain that theft because the Company has rendered itself liable to pecuniary penalties which will very probably after this be enforced against them.

[73] The above principle was followed in *HE Randall Ltd. v. The British & American Shoe Company* (1902) 19 RPC 393 where the contention was the purchase of the business by the plaintiff was 'unlawful' and therefore no protection could be afforded to the trade mark used by the plaintiff in the business. In rejecting the contention, Swinfen Eady J observed (at p. 358):

> The Companies Act, 1862, sections 41 and 42, imposes certain penalties for non-compliance with its provisions; but the additional penalty of forfeiting its goodwill to any dishonest person who chooses to steal it is not imposed by the Statute.
>
> ... in this respect I follow the recent decision of Mr. Justice Farwell in *Pearks, Gunston, and Tee, Ltd. v. Thompson, Talmey & Co.* (18 RPC 185). The injunction will be "to restrain the Defendants ..."

[74] In our courts, the Federal Court in *Asia Television Ltd & Anor v. Viwa Video Sdn Bhd & Other Cases* [1984] 2 CLJ 80; [1984] 1 CLJ (Rep) 72; [1984] 2 MLJ 304, has applied the nexus doctrine enunciated in *Curragh Investments Ltd v. Cook* [1974] 3 All ER 658 that for a contract to be illegal as being made in contravention of some statutory provision, there had to be a sufficient nexus between the statutory requirement and the contract, and where statutory requirements were not linked sufficiently, or at all to the contract, no question of its illegality arose.

[75] In *Asia Television Ltd* (*supra*) the plaintiffs claimed copyright in certain films and alleged that the defendants had infringed the same. Accordingly, the plaintiffs obtained *ex parte Anton Piller* orders from the High Court. The defendants applied to set aside the *Anton Piller* orders and the learned judge agreed with the argument by the defendants that the publication of the films was illegal as no certificates of approval were obtained as required under the Films (Censorship) Act 1952.

[76] The matter went on appeal to the Federal Court, where it held that before any question of illegality arose, there must be a nexus between the statutory requirement and the cause. The Federal Court held that non-compliance with the Films (Censorship) Act 1952 did not also result in defeating the plaintiff's rights under the Copyright Act 1967 as there was no nexus between the two. Delivering the judgment of the Federal Court, Abdoolcader FJ held:

> The issue then is the effect of non-compliance with the provisions of the Films (Censorship) Act on the question of acquisition of copyright under the Copyright Act and whether this is accordingly precluded as a result. It would appear from the contention of the respondents and the judgment of the learned Judge who held that the publication by the appellants was unlawful that any such non-compliance inhibited the operation of section 6(1)(a) of the Copyright Act with the result that the appellants could not and did not acquire any copyright in the films in question.

> *The correlation between the two legislative enactments must in our view depend on whether there is a nexus between them.* Mr. Davidson agrees in answer to a question we put to him that such a nexus is a necessary prerequisite and that the burden is on the respondents to establish this as between the two Acts. In *Curragh Investments Ltd. v. Cook* it was held *that for a contract to be illegal as being made in contravention of some statutory provision there had to be a sufficient nexus between the statutory requirement and the contract,* and that where statutory requirements were not linked sufficiently, or at all, to the contract no question of its illegality arose. (emphasis added)

[77] As such, we find that the learned JC has erred in law when he failed to consider and apply the nexus doctrine and to ascertain whether the breach of s. 23 of the VAEA has any nexus with the trade marks rights, including the sub-licence dated 6 July 1993.

[78] We are also of the considered opinion that there are no nexus between s. 23 of the VAEA and the trademarks rights. As such, we find that the learned trial judge erred in law when he held that the appellants cannot claim any goodwill in the JLW Marks because of the prohibitions in s. 23.

Adverse Inference And Credibility

[79] The learned JC has allowed SSSB's claim against APM because of APM's failure to adduce evidence in the passing off suit, despite the fact that all the witnesses called had testified for and on behalf of all the appellants. As such, the learned JC held that the court shall presume the evidence in support of SSSB's claim against APM to be true and an adverse inference under s. 114(g) EA is drawn against APM.

[80] We are of the considered opinion that such finding clearly contradicts the learned JC's decision to lift the corporate veil of the appellants and held that "... all Relevant JLL Companies acted as one entity to oppose SSSB in the two cases".

[81] On the issue of the credibility of witnesses, we agree with the appellants that the credibility of witnesses play a subsidiary role in this case in light of the contemporaneous documents and a comprehensive list of agreed facts upon which the parties have laid the foundation for the trial of the consolidated suits.

[82] Premised on the above-mentioned reasons, we allow the appeal and set aside the decision of the learned JC that APM and JLLP have committed the tort of passing off with regards to Jones Lang Wootton and JLW Marks.

SSSB Cross Appeal

[83] SSSB's cross-appeal is against the learned JC's finding that APM and JLLP have not passed off their business as that of SSSB's on account of the use of the "JLL" mark.

[84] Jones Lang LaSalle IP Incorporated ("JLL IP Inc") had registered the "JLL" mark with the Registrar of Trade Marks in classes 36, 37 and 42, *vide* trade mark registration nos. 2012051038, 2012051039 and 2012051040, under the TMA 1976. The said trade marks are still valid and subsisting under the TMA 1976 and SSSB had not taken out any application to expunge the said marks.

[85] Since 2014, the JLL Group had used the "JLL" brand extensively as its principal trading name to brand and market its services to the public. JLL IP Inc had authorised both APM and JLLP to use the said registered trademarks in Malaysia.

[86] SSSB took the position that that "JLL" is an acronym of "Jones Lang LaSalle". SSSB also contended that both APM and JLLP had breached s. 23 of VAEA *via* their misconduct of doing business in Malaysia by concealing from the Board of Valuers, Appraisers and Estate Agents of their true constitution, and had therefore practised deception on the Board.

[87] As such, SSSB submits that to allow APM and JLLP to rely on the registration of the "JLL" marks under the TMA 1976 to continue their businesses in Malaysia under "JLL", amounts to the appellants using the statute (TMA 1976) as an engine of fraud. Consequently, to allow APM and JLLP to continue to use "JLL" under the guise of the said registered trade marks tantamount to permitting them to pass off their real estate services as and for SSSB, by using the name of "JLL", which is taken from their "Jones Lang LaSalle" marks.

[88] In view of our finding that there is no nexus between the alleged non-compliance with the provisions of the VAEA and the trade mark rights, we are of the considered opinion that the learned JC did not erred in law and/or in fact in holding that both APM and JLLP are entitled to use the "JLL" mark, as the use of such marks are duly authorised by the registered owner, JLL IP Inc.

[89] On this, we agree with the findings of the learned JC that both APM and JLLP are entitled to use the "JLL" registered trade marks as authorised users of a registered trade mark pursuant to the TMA 1976.

[90] With regards to the issue of cost for two counsels, we find that the trial judge did not commit any error in the exercise of his discretion.

[91] As such, SSSB's cross-appeal is dismissed with costs.

Issue (ii) JLLP Counterclaim For Passing Off

[92] In the counterclaim, JLLP takes the position that SSSB has passed off by wrongfully representing itself to the public as continuing to be associated with Jones Lang LaSalle, when such association had ceased in January 2013.

[93] In 1999, the JLL Group was established through the merger of UK Jones Lang Wootton companies and the LaSalle Partners Incorporated of the USA.

[94] On 26 February 2002, SSSB entered into a GOF with JLL Singapore and SSSB continued to market itself as "Jones Lang Wootton in association with Jones Lang LaSalle" in Malaysia.

[95] The GOF was terminated by JLLPC by way of JLLPC's letter dated 17 January 2012 to SSSB. Therefore, SSSB's right to associate itself with "Jones Lang LaSalle" ceased to exist with the termination of the GOF.

[96] However, the learned trial judge made a finding that there was no evidence of misrepresentation of the association with Jones Lang LaSalle to the trade and public by SSSB. Having considered the evidence presented before the learned JC, we find that the learned JC has failed to consider the evidence that SSSB continued to associate itself with Jones Lang LaSalle through the use of stationery and name cards containing the phrase "In association with Jones Lang LaSalle" at the footer, from 17 January 2013 for a period up to at least November 2016.

[97] As such we agree with the appellants that SSSB had wrongfully continued to exploit the Jones Lang LaSalle brand by perpetuating its alleged association with Jones Lang LaSalle, to the detriment of JLLP, the rightful party with the right to associate itself with Jones Lang LaSalle.

[98] In dismissing the counterclaim, the learned trial judge also held that the court will not come to JLLP's aid in view of the alleged breach of s. 23 of the VAEA. We reiterate our finding that any breach of the VAEA is within the purview of Valuers' Board. Added to that, we find no nexus between the alleged breach of the VAEA and the trademarks rights.

[99] Therefore, we allow the JLLP's appeal and set aside the decision of the learned JC in dismissing its counterclaim. Prayers (1) to (6) of the counterclaim are allowed.

Issue (iii) JLWL Expungement Suit

[100] JLWL's application to expunge SSSB's registration of the mark ("registered mark") is made pursuant to s. 45(1) of the TMA 1976, which reads as follows:

45. Rectification of the Register

(1) Subject to the provisions of this Act:

(a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the

A Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as if thinks fit;.

[101] Under s. 45(1)(a) of the TMA 1976, the onus is on JLWL to establish:

B (i) that JLWL is an aggrieved party; and

(ii) that SSSB's registered marks are entries made in the Register without sufficient cause or by any entry wrongfully remaining in the Register.

[102] Under s. 45(1)(a) of the TMA 1976, JLWL must show that they are 'person aggrieved' in order to establish their *locus standi*. In *McLaren* C *International Ltd v. Lim Yat Meen* [2009] 4 CLJ 749; [2009] 5 MLJ 741 on the issue of whether the appellants were a person aggrieved under s. 45(1) of the TMA 1976, the Federal Court held at p. 759 (CLJ); p. 750 (MLJ):

[22] We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trademark – or D who has genuine and present intention to use his mark as a trademark – in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register.

[103] In *Mesuma Sports Sdn Bhd v. Majlis Sukan Negara Malaysia; Pendaftar Cap* E *Dagangan Malaysia (Interested Party)* [2015] 9 CLJ 125; [2015] 6 MLJ 465 Justice Azahar Mohamed FCJ said this:

[28] A person aggrieved is a person who has used his mark as a trade mark or who has a genuine and present intention to use his mark as a trade mark in the course of a trade which is the same as or similar to the F registered trade mark that the person wants to remove from the register. The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered trade mark. The interest and right must be legal or lawful.

G **[104]** The above meaning of aggrieved person in *Mesuma Sports* (*supra*) has been approved in *Liwayway Marketing Corp v. Oishi Group Public Co Ltd* [2017] 5 CLJ 133.

[105] In the present appeal, the learned JC made a finding that JLWL is not a 'person aggrieved' under s. 45 of the TMA to seek an expungement of H SSSB's registration of the registered mark based on the following reasons:

[106] It is clear that JLWL is not aggrieved by Jones Lang Wootton Registered Trade Mark because:

(1) JLWL is a Non-Registered Person and is prohibited by s. 23 of the then VAEA from providing any real estate services (Prohibition). I Hence, JLWL cannot use Jones Lang Wootton Registered Trade Mark or have a "genuine and present intention" to use that mark within the meaning of both limbs of McLaren International;

(2) in view of the Prohibition, it cannot be said that JLWL has an "element of legal interest, right or legitimate expectation" which is adversely affected by Jones Lang Wootton Registered Trade Mark as explained in *Mesuma Sports*;

(3) as explained in the above sub-paragraph 95(3), JLWL is bound by SSSB's Proprietary Interest by virtue of Clause 14 Sub-Licence (1993);

(4) there is no evidence of actual "use" of Jones Lang Wootton Registered Trade Mark by JLWL in Malaysia within the meaning of s. 3(2)(a) and (c) TMA …; and

(5) since 2014, JLL Group (including JLWL) has stopped using Jones Lang LaSalle name and has only used JLL name, JLL composite mark and JLL Registered Trade Marks. Jones Lang Wootton Registered Trade Marks (Other Countries) have also been allowed to expire or be cancelled. In such circumstances, JLWL cannot be aggrieved by Jones Lang Wootton Registered Trade Mark.

[106] We are of the considered opinion that JLWL is a 'person aggrieved' within s. 45(1)(a) of the TMA 1976 because JLWL is the rightful proprietor of the JLW Marks as the successor in title of the London Proprietors. This is an undisputed fact from the parties' agreed facts. As the proprietor of the JLW Marks in Malaysia, there is no doubt that the fraudulent registration of the Jones Lang Wootton by SSSB would substantially affect the legal right and interest of JLWL as the common law proprietor of the JLW Marks.

[107] The learned JC was also wrong in his finding that JLWL did not use the JLW Marks in Malaysia. On this note, it is settled law that the use of a mark by a licensee is recognised as use by the licensor/proprietor (see *Lam Soon* (*supra*); and *Colliers International* (*supra*)).

[108] The learned JC had also failed to consider that the JLW Marks had been in use in Malaysia under licence to the partnership of Jones Lang Wootton incorporating Wick & Partners, and subsequently to SSSB. The use of the JLW Marks through these licensees amount to use by the London Proprietors and JLWL, as the successors in title.

[109] We are also of the considered opinion that the learned JC has erred in his finding as it is not in dispute that the 1993 Sub-Licence Agreement merely authorise SSSB to use the JLW Marks under licence. It does not confer any proprietary interest over the JLW Marks to SSSB. As such we agree with the JLWL that a proprietor whose trade mark has been registered wrongfully by his sublicensee in his own name would be entitled to seek rectification (see *Regent Pumps Pty Ltd & Anor v. Keylargo Industrial Sdn Bhd* [2009] 2 CLJ 303; *Wieland Electric GmbH v. Industrial Automation (M) Sdn Bhd & Anor* [2014] 7 CLJ 970; and *GS Yuasa Corp v. GBI Marketing Malaysia Sdn Bhd* [2016] 1 LNS 978; [2017] 8 MLJ 166).

[110] Based on the above, we find that JLWL, as the actual and rightful proprietor of the JLW Marks, is clearly a person aggrieved and the learned JC was wrong on the law to find otherwise.

[111] The next issue is for JLWL to establish that SSSB's registered marks are entries made in the Register without sufficient cause or by any entry wrongfully remaining in the Register.

[112] The learned JC held that pursuant to s. 36 of the TMA 1976, the fact that SSSB is registered as the proprietor of Jones Lang Wootton Registered Trade Mark, shall be *prima facie* evidence of the validity of the original registration of Jones Lang Wootton Registered Trade Mark. Moreover, SSSB can rely on s. 37 of the TMA 1976, which provides that Jones Lang Wootton Registered Trade Mark shall be conclusive after the expiry of seven years from the date of its original registration unless one of the three circumstances pursuant to s. 37(a) to (c) TMA, can be proven by JLWL.

[113] The learned JC then made a finding in para. 110, which reads as follows:

> This court cannot expunge Jones Lang Wootton Registered Trade Mark pursuant to s. 37(a) TMA because of the existence of SSSB's Proprietary Interest.

[114] JLWL has relied on s. 37(a) of the TMA 1976, namely the original registration of Jones Lang Wootton Registered Trade Mark has been obtained by fraud on the Registrar.

[115] We are of the considered opinion that SSSB has misrepresented itself as the *bona fide* proprietor of the trade mark in a statutory declaration dated 14 August 2006, affirmed on its behalf for the purposes of obtaining registration of the said trade mark in its name. In the said statutory declaration, affirmed on behalf of SSSB for the purposes of obtaining registration of the said trade mark in its name, it was falsely declared by SSSB that SSSB 'is the *bona fide* proprietor of the trade mark'. In fact, this was not denied by SPI (Mr Singham), that the application was made with his knowledge and that the statutory declaration was affirmed by the company secretary on behalf of SSSB.

[116] We find that such a declaration in the statutory declaration, that 'SSSB is the *bona fide* proprietor of the mark' amount to a fraud committed on the Registrar of Trade Marks as SSSB is merely a sub-licensee and had used the marks under license. It was always within the knowledge of SSSB, from the numerous preceding agreements it had signed, and the several covenants undertaken therein, that it was merely a licensee and that the proprietary rights and ownership of the mark belonged to JLWL and its principals.

[117] In *Wieland* (*supra*), the High Court held that an agent under an agency agreement had no right to apply for trade mark registration. It was held that pursuant to s. 25 of the TMA 1976, only the principal as the rightful proprietor has the right to make the application to the Registrar for the registration of the trade mark:

> [40] Bearing in mind that the plaintiff is the rightful proprietor of the subject trade mark, the first defendant had misled and misrepresented itself to the Registrar by claiming to be the rightful proprietor of the Wieland trade mark via the said statutory declaration affirmed on 6 October 2005. This is clearly a fraud as the first defendant has merely been an importer and/or agent and/or distributor of the plaintiff in Malaysia at all material times. Therefore, this amounts to a fraud committed on the Registrar of Trade Marks.

[118] In *Regent Pumps Pty Ltd* (*supra*), Justice Ramly Ali (as His Lordship then was) said that several cases have shown that by registering the mark that belonged to another trader, despite knowing the lawful proprietor of the mark is the other trader, is considered as fraud under the TMA 1976.

[119] A similar position was taken by the High Court in *Luk Lamellen Und Kupplungsbau GmbH v. South East Asia Clutch Industries Sdn Bhd* [1996] 3 CLJ 904; [1997] 2 MLJ 724, where the court held at p. 911 (CLJ); p. 733 (MLJ) that:

> Knowing that the LUK trade mark belonged to the applicants, the respondents applied for and obtained registration of the trade mark as theirs in respect of their products. In making the application, they must have claimed that the trade mark belonged to them because, by s. 25 of the Act, they had to claim that they were the proprietors of the trade mark in order to qualify to apply. Since they were not, it was a false claim made for dishonest purpose, which was to become the registered proprietors of a trade mark that belonged to somebody else. It was a falsehood practised on the registrar to achieve a result that was adverse to the interests and rights of the applicants as the lawful proprietors of the trade mark.

[120] Added to that, SSSB had also misrepresented to the Registrar that the first use of the Registered Mark was in 1982, when SSSB was incorporated. This was a fraudulent representation as the first use was in 1974, by the partnership of Jones Lang Wootton incorporating Wicks & Partners, under licence from the London Proprietors (see para. 6 of agreed facts).

[121] In any event, it is an undisputed fact that the registration of the registered mark was procured without the consent of the London Proprietors, JLWL or any other member of the JLL Group.

[122] The Federal Court held in in *Ho Tack Sien & Ors v. Rotta Research Laboratorium SpA & Anor; Registrar Of Trade Marks (Intervener) & Another Appeal* [2015] 4 CLJ 20 held that once the ground for the expungement of a trade mark has been made out, the court has no discretion but to remove the trade mark from the Register under s. 45(1)(a) of the TMA 1976:

A [25] We are of the view that neither the court nor the Registrar has the discretion to allow a mark that has been wrongfully registered to continue to remain on the Register. Once the grounds for revocation or removal of a mark have been made out, the mark must be removed or expunged from the Register.

B **[123]** Based on the above, we are of the considered opinion that the learned JC had erred in not expunging the registration of the registered mark. The learned JC's finding that JLWL is not an aggrieved party and his conclusion that there was no fraud on the part of SSSB, is wholly unsustainable. As such, the appeal against the decision in the JLWL expungement suit is allowed.

C **Conclusion**

[124] In conclusion, and for the aforesaid reasons, we allow the appellants' appeal in the passing off suit and dismissed SSSB's cross-appeal. JLLP's counterclaim is also allowed and SSSB's registration of the mark is expunged from the Register.

D

E

F

G

H

I